

Interview: Dede Yusuf - Dede Yusuf, Chairman, Commission IX of the House of Representatives, Indonesia



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Dede Yusuf is advocating for more people in Indonesia to take up a healthy lifestyle and, through his position of Chairman of Commission IX of the House of Representatives, is aiming to improve the healthcare sector of his country both by boosting local companies and improving health education.

Could you please introduce yourself to our international audience as well as the main responsibilities of Commission IX of the House of Representatives?

I am Dede Yusuf, the Chairman of Commission IX which is an entity of the House of Representatives of the Republic of Indonesia responsible for the Health and Manpower sectors. We coordinate the National Healthcare System, as well as insurance regulations, family planning programs, and BPOM (the Indonesian Food and Drug Agency).

In contrast to previous Chairmen, I am not a medical doctor but a practitioner of a healthy lifestyle. As I am the only one without a medical background, I am able to see the issues from a citizen's point of view. For example, currently, the most important elements for the population are access to medications, treatments and infrastructure, as well as the price of these products and services.

The work of Commission IX is based on these concerns and our responsibility is to provide good, affordable and accessible products and services to all citizens.

Since you were appointed as Chairman of the Commission IX back in 2014, what have been your main missions and accomplishments?

The increase of the healthcare budget is our main accomplishment as five percent of our total national budget is currently allocated to healthcare versus 3.5 percent in the past. This five percent is mandated by our Health Act. The Commission IX will stay committed to this increase for the upcoming years as 60 percent of such budget is used solely for preventive and promotional activities in order to encourage people to maintain a healthy lifestyle; it is a long process.

Before the JKN era, actually there was one health insurance program for the poor yet the budget was only around IDR eight trillion (USD 602 million). After, the JKN rollout and under my chairmanship, the budget for the poor and nearly poor, known as the Contribution Assistance Recipient (*PBI/Penerima Bantuan Iuran*) increase to IDR 19 trillion (USD 1.4 billion) and we are trying to increase this number by IDR two trillion (USD 150 million) in 2015. Now, the investment is around 25 trillion Rupiah (USD 1.8 billion) – which covers 92.4 million people of PBI.

What are the main challenges that you have identified in the Indonesian market?

The main issue at the moment is about bringing more health education to the population because when we look at the top ten illnesses in our country, many are related to people's lifestyles; whether food or habits. For example, some people do not exercise a lot and eat rice every day, which contains a lot of sugar. This lifestyle will increase the risk of diabetes for these people. Furthermore, after the JKN program, hospitals have seen an increase of 300 to 400 percent of patients because they know they can get treated for free. However, hospitals have not yet been able to increase their capabilities so they do not have enough manpower and beds to welcome all the patients. Therefore, the government has decided to focus on prevention to tackle such an issue. This is why we are allocating 60 percent of our budget on promotion and prevention and the remaining 40 percent will go to curative activities. By bringing education to people, we will teach them to be healthy which will reduce the footprint of communicable diseases as well as the number of people coming to hospitals.

Another issue is that people are spending more and more money on medicine through JKN. We are trying to push down the cost of drugs with the help of LKPP (Indonesia Public Procurement Agency) and the e-catalog of medicines and health devices. With this e-procurement, we managed to cut down the price of products by 50 percent, specifically by playing with the volume. We are even

discussing cooperation with GP Farmasi (National Association of Local Pharmaceutical Companies) for the e-procurement but companies remain concerned about the prices and volumes required to be a part of the catalog because 98 percent of the raw materials are imported which greatly affects the price.

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There are many interesting factors that could boost the national healthcare industry such as the fact that the government has committed to implementing a universal healthcare system (JKN) that will cover the entire Indonesian population by 2019, making it the largest in the world. What is the role of the Commission IX within such an ambitious governmental program?

In this system, we have three functions: budgeting, establishing legislation, and monitoring. Therefore, we are the one establishing the quotas and upgrading the premium rates. As part of the parliament, we are directly asking the government to have the entire population covered and asking what the different steps until 2019 should be to achieve such goal. We are also the one asking the government to cover the 90 million citizens to be covered by the PBI.

The monitoring is also one of the most active parts of Commission IX. We monitor the activities of BPJS (Social Security body) and see how our JKN patients are treated compared to other patients. We have seen, for example, that our patients were being refused from some hospitals due to a lack of space but these hospitals were still accepting non-JKN patients. We decided to talk to the Hospital Association (Persi) as well as the government to establish a sanction for such mistreatments. This situation happens often because private hospitals think that the premiums decided for INA-CBG (Indonesian Case Base Group) are too low to cover the actual cost of treatment. Therefore, we want to really understand how much a certain treatment will cost so the system can be updated and satisfy both healthcare entities and patients.

One of the main objectives of the Commission IX is to enhance national healthcare efficiency, erasing procedural requirements that are costly and lengthy in order to gain competitiveness within the ASEAN region. Could you expand on the current and future initiatives within the Commission IX aligned with such goal?

To increase the competitiveness, we asked the biggest companies in the industry, like Kalbe Farma and Kimia Farma, for their input on this subject and they gave us many ideas in order to redefine our e-catalog procedures. For example, they said that there is not much competitiveness in terms of price so the government, especially LKPP, should include the volume into the procedure to

increase competitiveness.

Moreover, we do not want to be only a large global market with more than 250 million consumers so we asked the government to also develop an internal and independent market where people can have self-medication and choose between various products. JKN will be the basic treatments for people but if some citizens want to have their own treatments, they can obtain private insurance or use self-medication.

Our main goal is to provide only the basic treatments in JKN. Then, if patients want a better treatment, they can buy other drugs or have private insurance so the competitiveness is maintained.

It is well known that counterfeit drugs are a challenge in Indonesia. Indeed, the Indonesian Food and Drugs Supervisory Agency (BPOM) is making strong efforts to strengthen the supervision of unregistered drugs and such drugs represent around ten percent of the total Indonesian pharmaceutical value. How is Commission IX addressing such situation?

The main areas of counterfeit are vaccines and insulin. It has raised a lot of concerns because in the past almost all drugs, including prescribed medicines, were available in the market without prescriptions. To address this issue, we have asked BPOM to create stricter regulation as well as a stronger monitoring and tracking system so that we can check each drug produced, including over-the-counter drugs. We have also updated BPOM's organization by imposing a deputy for enforcement who is in communication with the police to sanction any business who is not respecting the regulation. We gave BPOM more power and authority to find counterfeit drugs used in hospitals and other healthcare entities, because hospitals especially are buying counterfeit as it is cheaper.

The Halal Law will be difficult for the pharmaceutical industry since pharmaceutical raw materials come from various sources. In addition, pharmaceutical companies could stop producing drugs in Indonesia for fear of the sanction against violators of the Halal Law. In your opinion, what is the solution that that should be found?

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The Halal Law is being discussed right now but it has not yet come to the Commission. Commission VIII, which is in charge of religious matters, is taking care of it. However, if the Halal Law gets implemented, products will need a halal certification but many companies do not have any

capability yet to create halal products. A halal certification on medicines is highly debatable but we have to highlight that our main concerns are about health. Of course, we would be happy if companies can make halal medicines and they would even be able to sell them to other Muslim countries but for us, it is not a big concern yet.

In December 2016, the House of Representatives agreed with the Food and Drug Monitoring Agency (BPOM) to provide stronger protection to local products so they can be more competitive against imported goods in the market. What is your action plan to achieve these objectives, considering the high rate of imported materials within the healthcare and life sciences industry?

We asked the government to be more committed to protecting the local pharmaceutical industry with specific rights. Right now, our market is mainly composed of imported products and raw materials. We are now pushing for the government to create regulations establishing pharmaceutical factories in the country and we asked BPOM to lessen the burden for local industries. Indeed, BPOM has established a good pharmaceutical manufacturing process but above that, there is a high-standard scheme for national companies called PICS (Pharmaceutical Inspection Cooperation Scheme). Every company, even in the herbal medicines sector, in Indonesia needs to go through it but is a very difficult and expensive process. However, many countries like India or China use GMP (Good Manufacturing Process) facilities. That is why we are asking BPOM to use GMP to local companies as well so the industry can grow and local companies can have more market shares.

What are the main objectives that you would like to accomplish before your mandate finishes in 2019?

At the moment, the JKN program is divided into three classes and one of our main objectives is to end up with only one universal class so people cannot be divided. Then, we also want to tackle the human resources issue by distributing more equally our doctors, nurses and health professionals throughout all of our regions including the remote areas. Right now, almost 60 percent of our talents are in Java Island while Papua or Sulawesi Islands are lacking specialists. Finally, our last objective is to improve the medical education of our doctors so that it can be more affordable in order to increase the number of health professionals to be distributed in the whole country.

I would like for people in Indonesia to be able to go to every clinic and every hospital and receive the basic treatment through a system that should be focused on helping the poor and very poor.

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